

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6035**

**BILL NUMBER:** SB 29

**NOTE PREPARED:** Feb 26, 2004

**BILL AMENDED:** Feb 26, 2004

**SUBJECT:** Childhood Obesity.

**FIRST AUTHOR:** Sen. Dillon

**FIRST SPONSOR:** Rep. C. Brown

**BILL STATUS:** 3<sup>rd</sup> Reading- 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the Department of Education to develop: (1) recommendations for school corporation nutritional policies and curricula; and (2) model policies for the measurement of student body mass indexes. The bill prohibits vending machines at elementary schools from being accessible to students. It requires that healthy foods and beverages account for 50% of the food and beverage sales in middle and high schools. It also requires school corporations to adopt nutritional integrity policies. The bill requires daily physical activity for elementary school students in public schools. It allows a school to continue a vending machine contract in existence before April 1, 2004.

**Effective Date:** April 1, 2004; July 1, 2004.

**Explanation of State Expenditures:** *Summary:* (1) The Division of School and Community Nutrition Programs (DSCNP) of the Department would be required to develop recommendations for use by school corporations on determination of nutritional content of meals served in schools and establish policies on nutrition in schools.

The bill requires the Department's education consultant for health and physical education to establish a curriculum for nutrition, which would be distributed broadly to teachers and parents. The Department would also be required to establish an outreach plan for parents and students with current information and research on health, nutrition, and physical education issues.

The Department should be able to implement these provisions within existing resources and staff levels. The Department reports that a \$1.8 M federal grant distributed over the next five years from the United States Centers for Disease Control and Prevention (CDCP) for the development of the Coordinated School Health Program would be utilized to implement the above requirements. The grant distributes \$200,000 in the first

year and \$400,000 per year over the subsequent four years. The Department reports there would be insignificant expenditure required for the curriculum after expiration of the grant.

Beginning March 1, 2004, Indiana's CDCP grant from the federal government will enter its second year of existence. The grant funds are currently used to carry out other items of the Coordinated School Health Program including: physical education, health services, psychological/sociological services, community involvement, and staff well being. Additionally, the grant provides for program infrastructure including an office staffed by both the Department and the State Department of Health.

(2) The implementation of model policies for body mass indexes should have a minimal impact to state expenditures. Schools would be able to gather the student body mass data and report back to the Department without additional need for equipment.

*Background:* As of December 3, 2003, the Department had 260 full-time staff members. The Department has approximately 278 budgeted full-time positions. The Department reverted \$33.7 M in FY 2003.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** (1) School corporations would be required to adopt a nutritional integrity policy. School corporation governing bodies could adopt such a policy within the scope of a normally scheduled business meeting.

(2) Under the bill, a student's body mass index would be required to be disclosed to the student's parent, guardian, or custodian upon request. This provision should minimally impact the administrative time of the school. The bill also specifies that a student's body mass index not be included on a student's report card.

(4) Under the bill, schools would be required to adopt a policy requiring physical activity for students in elementary school. The policy must be consistent with the curriculum and programs developed under current law and may include the use of recess. If recess were used to conduct physical activity under the bill, most elementary schools (kindergarten through fifth grade, and sometimes sixth grade) would not experience any impact to expenditures. Elementary schools with recess periods may need to revise the use of recess time in winter months to insure that physical activity would take place indoors.

**Explanation of Local Revenues:** (3) The bill would allow a contract entered into by a school with a vendor that was executed before (or in existence on) April 1, 2004, to be completed. The bill would not prohibit schools from entering into contracts with vendors after April 1, 2004. However, a contract executed after April 1, 2004, would have to comply with the requirements of the bill, including the requirement that at least 50% of the foods and beverages sold in a middle or high school must qualify as a healthy food or healthy beverage. Under the bill, foods and beverages sold after normal school hours would not be required to qualify with the healthy food provisions of the bill.

(4) Nutritional integrity policies could affect the sale of soft drinks in schools which do not have policies against consumption during lunch hours.

**State Agencies Affected:** Department of Education; Department of Health.

**Local Agencies Affected:** School corporations.

**Information Sources:** Terry Spradlin, Beth Foland, Suzanne Crouch, Department of Education; *State of*

*Indiana List of Appropriations, July 1, 2003 - June 30, 2005; State of Indiana HRM Detail Staffing Report 12/03/2003; Indiana State Budget Agency BUDSTARS..*

**Fiscal Analyst:** Chris Baker, 317-232-9851; Sarah Brooks, 317-232-9559.